

Division of Employment Security Performance Measures and Metrics



NC DEPARTMENT
of COMMERCE
EMPLOYMENT SECURITY

Feb. 17, 2021

Pryor Gibson, Assistant Secretary
N.C. Division of Employment Security

COVID-19 Pandemic: Unemployment in the News

Coronavirus: State unemployment websites crash as applications surge

"Totally broken," tweeted one person about their area's unemployment website. Trump administration officials have warned unemployment could reach 20 percent due to the pandemic.

 NEWS

Unemployment Websites Are Crashing Across The Country



Overwhelmed by online jobless claims, state offers paper forms

The Palm Beach Post

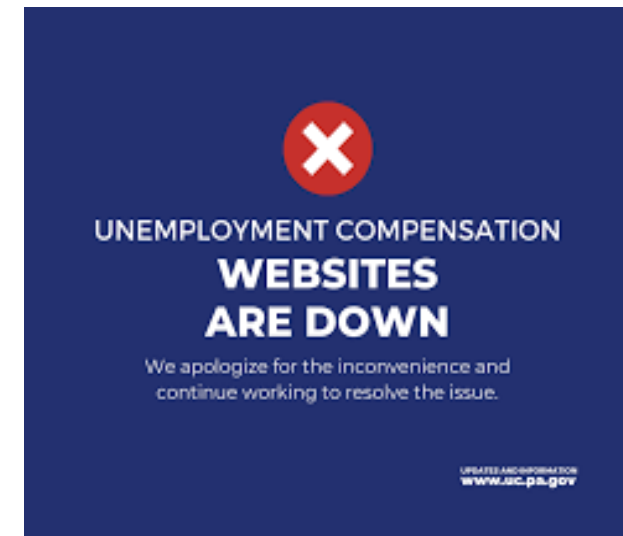
Don't certify your unemployment claim Monday, as system may crash

[Frank Witsil](#) Detroit Free Press

TOP STORY

Hundreds camp out in long lines to discuss unemployment claims





Performance of the SCUBI System



- DES launched its new benefits system, SCUBI, in late 2018. Replaced a mainframe system that was 30 years old.
- Currently one of 22 states with a modernized benefits system.
- SCUBI has never crashed during the COVID-19 pandemic even with a very high claims load. Up to 54,000 claims in a single day.
- DES has been able to implement new unemployment benefit programs quickly.

According to [The Century Foundation](#):

“Some states, such as Minnesota, North Carolina, and Maryland, were able to swiftly implement the changes and continue PUA and PEUC, as well as begin FPUC benefits within the first week the newly extended program was up and running... Not all states were as efficient as these.” (Feb. 2, 2021)

Federal Standards for Performance



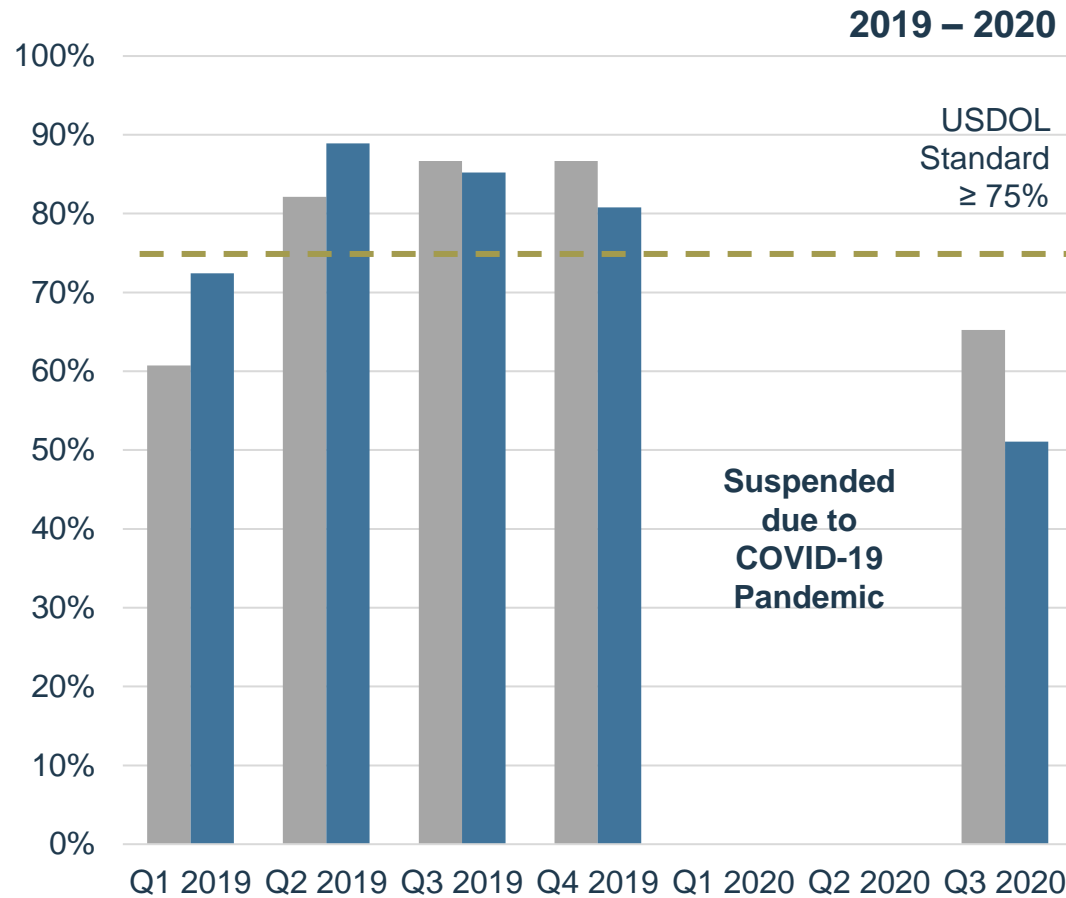
The U.S. Department of Labor Employment & Training Administration establishes **Core Measures and Acceptable Levels of Performance** in the areas of:

- Benefits
- Appeals
- Program Integrity
- Tax

Note: These measures evaluate performance for the administration of State Unemployment Insurance benefits only; they are not designed to measure temporary programs established in response to the COVID-19 pandemic.

Benefits: Quality of Nonmonetary Determinations

Percentage of Quality Scores equal to or greater than 95 points, based on the evaluation of quarterly samples.



- Related to Separation from Employment
- Not Related to Separation from Employment
- Exceeded the USDOL standards for three straight quarters after SCUBI implementation and before the pandemic.
- Scoring suspended in Q1 and Q2 2020.
- Q3 2020 scores impacted by the COVID-19 pandemic. Separation determination quality still higher than national average.

Benefits: First Payment Timeliness

Percentage of first payments made within 14/21 days (14 days if waiting week is required, 21 days if no waiting week).

2019				2020			
1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
46.4%	52.3%	62.4%	73.9%	80.8%	61.8%	52.5%	62.9%

- Timeliness impacted by transition to new benefits system and Hurricane Florence claims.
- Steady improvement for four straight quarters 1Q 2019 through 1Q 2020.

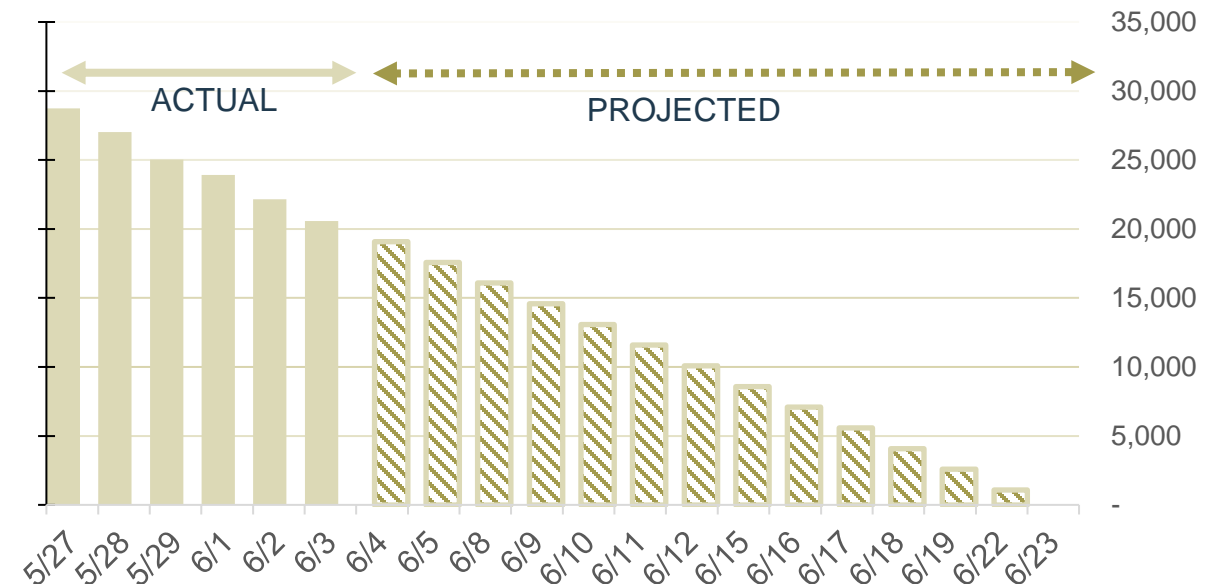
- Scores impacted nationwide during the COVID-19 pandemic.
- Beginning to improve again. Above the national average 3Q and 4Q 2020.

Improving Timeliness: Claims Resolution Strategy

- Announced a strategic plan in June 2020 to resolve claims in a timely manner.
- Claims divided into periods based on date filed.
- Team of experts has target dates for resolution.
- Using this strategy for state unemployment benefits and pandemic unemployment benefits, pending claims backlog has been reduced to just 2% of all claimants.
- Will help DES continue to improve timeliness after the pandemic.

Example of Tracking Claims Resolution by Period

Claims Filed March 15 – April 18
Remaining to be Resolved



Improving Timeliness: Attached Claims

- One factor affecting timeliness is the use of attached claims (employers filing claims on behalf of their employees).
- Prior to 2013, fewer restrictions in place and more use of attached claims. Timeliness scores dropped significantly after 2013.

All First Payments 14/21 Day Timeliness North Carolina	
2010 - 2012	84.4%
2013 - 2015	68.8%

- Revising some of statutory requirements to encourage use of attached claims may help improve timeliness.
- For example, allowing an employer to file attached claims more than once in a year, and removing the requirement for employers to prepay at the time of filing if their account has a sufficient positive balance.

Appeals Case Aging in Days

Average age of pending appeals cases from the date an appeal was filed.

- Exceeded standards for appeals case aging for the first half of 2020.
 - Average Age of Pending Lower Authority (DES) Appeals: ≤ 30 days
 - Average Age of Pending Higher Authority (Board of Review) Appeals: ≤ 40 days
- Applying tracking strategy similar to the one used for resolving pending claims.
- Quadrupled staff of appeals referees.
- Trained new appeals referees to reduce the backlog of less complicated Pandemic Unemployment Assistance (PUA) appeals. Now shifting resources to complete the non-PUA appeals.

Program Integrity



Addressing improper payments and fraud in the unemployment insurance program is a top priority for the U.S. Department of Labor and the N.C. Division of Employment Security.

Historically, the top causes of improper payments are:

- **Work Search.** Claimant failed to actively seek work.
- **Benefit Year Earnings.** Claimant continued to claim benefits after returning to work, failed to accurately report earnings while claiming benefits.
- **Separation Issues.** Claimant ineligible due to quitting without good cause or discharge for cause.

Reducing Improper Payments

- Engaged with USDOL and the National Association of State Workforce Agencies to address top causes of overpayments.
- Produced video to educate claimants during the filing process.
- USDOL recommends states use comprehensive definitions of work search activities that focus on rapid reemployment.
- Expanding the statutory definition of an acceptable work search may help improve improper payment rate.



<https://vimeo.com/513167085>

Tax Quality



The tax administration section of the Division of Employment Security is responsible for collecting state unemployment insurance taxes and wage information from liable employers on a quarterly or annual basis.

- For the past two years, DES's tax section received the ***Performance Excellence in Tax Operations Award from the U.S. Department of Labor***, which is given to top performing state workforce agencies nationwide in key areas of unemployment insurance operations.
- Passed all requirements for all 13 functions of the USDOL's annual Tax Performance System program reviews.
- Currently starting the process to modernize the DES tax system.

Questions?